



14 December 2012

Dear Shareholder,

Re: Offer by Planet Metals Limited (Company) to buy-back minimum holdings in the Company

- **Planet Metals Limited is offering to buy-back your shares in the Company at 2.8 cents per share**
- **If you wish to accept the Offer you need do nothing**
- **If you wish to retain your holding please complete and return the enclosed form.**

The Directors of the Company wish to offer to buy-back the minimum holdings of shareholders in the Company under the terms set out in this Offer and the procedure in Section 257B of the *Corporations Act (Cth) 2001 (Corporations Act)*.

As at 5pm (Sydney time) on 12 December 2012, the Company had 1,275 shareholders of which 970 shareholders hold less than a marketable parcel of shares in the Company. A marketable parcel of shares is defined in the ASX Listing Rules as a parcel of securities of not less than \$500 based on the closing share price of Company's shares. For the purposes of this offer, the Board of Directors has determined that a minimum holding which will be subject to this offer will be based on shareholdings of less than 12,501 shares (valued at a maximum of \$350 based on the closing share price of the Company's shares on 12 December 2012 of 2.8 cents) (**Minimum Holding**). As a result, a total of 941 shareholders will be subject to this offer.

The Directors of the Company have resolved to proceed with the buy-back procedure as provided for in Section 257B of the Corporations Act for the buy-back of minimum holdings (**Minimum Holdings Buy-back Procedure**). A "minimum holding buy-back" is defined in Section 9 of the Corporations Act as a buy-back of all of a holder's shares in a listed corporation if the shares are less than a marketable parcel within the meaning given in the ASX Listing Rules. In general, this process is being utilised to "free up" the smaller holdings which will in turn reduce the Company's overall administrative cost burden to the benefit of shareholders generally.

The Register of Members of the Company as at 5pm (Sydney) on 12 December 2012 indicates that you (or an entity that is associated with you) currently have less than 12,501 shares in the Company, which is classed as a Minimum Holding for the purposes of this buy-back offer.

Pursuant to the Minimum Holdings Buy-back Procedure, the Board of Directors hereby offers to buy-back your Minimum Holding in the Company for 2.8 cents per share (**Buy-back Price**) being the closing share price of the Company on 12 December 2012. We must stress that the Company shall not buy-back your shares if you wish to retain your shareholding. To this end, if you wish to retain your shareholding in the Company, please complete and sign the enclosed Continuing Member Notice and forward it to the Company in the reply paid envelope provided by the Company to be received by no later than 5.00pm Sydney time on the date that is 46 days from the date of this Offer, being 29 January 2013 (**the Closing Date**).

If you do not wish to retain your holding in the Company or do not execute and return the enclosed Notice of Rejection of Offer or otherwise fail to advise the Company that you wish to keep your holding by the Closing Date, your shares will be liable to buy-back by the Company in accordance with the Minimum Holdings Buy-back Procedure. Upon the buy-back of your shares, the Company shall cancel those shares and shall notify the Australian Securities and Investments Commission and ASX accordingly.

Upon the expiry of the Closing Date, if you have indicated that you do not wish to retain your shareholding, have not executed and returned the enclosed Notice of Rejection of Offer or otherwise have failed to advise the Company that you wish to keep your holding by the Closing Date you shall receive written notification (**Buy-back Notification**) from the Company confirming that your shares have been bought-back. The consideration from the buy-back of your shares shall be remitted to you or otherwise dealt with in the manner in which you have previously instructed the Company. If the Company has not received any specific payment instructions, a cheque will be forwarded to the address on file with the Company's share registry.

If you would like to notify the Company of your bank account details for a direct deposit of the buyback funds, please contact our Share Registry, Boardroom Pty Limited on 1300 737 760 (within Australia) or (02) 9290 9600 (outside Australia).

The buy-back of Minimum Holdings will proceed as follows:

- The Closing Date by which any holder of a Minimum Holding (**Minority Holder**) must notify the Company using the enclosed Notice of Rejection of Offer that they wish to retain their shareholding is 29 January 2013 being 46 days from the date of this Offer;
- Upon the expiry of the Closing Date, the Directors will resolve to buy-back the shares of those Minority Holders who do not wish to retain their shareholding, have not executed and returned the Notice of Rejection of Offer enclosed with this Offer or have otherwise failed to advise the Company that they wish to keep their holding by the Closing Date;
- The total Buy-back Price for the respective Minimum Holdings that have been bought-back shall be remitted to the Minority Holders by cheque or deposited into an account notified by a Minority Holder to the Company's Share Registry, Boardroom Pty Limited. The Company shall bear all costs and expenses associated with the buy-back offer contemplated herein.

The Directors wish to stress and reiterate that any person who wishes to retain their shareholding in the Company will be able to do so by simply executing the enclosed Notice of Rejection of Offer and returning the same to the Company by no later than the Closing Date.

The indicative timetable for the buy-back offer is set out below. These dates are indicative only and the Company reserves the right to vary these.

Determine Minority Holders	12 December 2012
Announcement and Despatch Date	14 December 2012
Opening Date	14 December 2012
Closing Date	29 January 2013
Buy-back and cancellation	30 January 2013
Remit consideration	From 31 January 2013

Should any shareholder have any questions in relation to the buy-back of Minimum Holdings process as contained within this Offer including in respect of any possible taxation implications, they should consult their professional advisers.

Yours faithfully



David K. Barwick
Chairman

[S/H ADDRESS 1]
[S/H ADDRESS 2]
[S/H ADDRESS 3]
[S/H ADDRESS 4]
[S/H ADDRESS 5]
[S/H ADDRESS 6]

SRN/HIN: []
Shares held as at 5pm on 12 December 2012: []

NOTIFICATION OF REJECTION OF OFFER TO BUY-BACK MINIMUM HOLDINGS

"Continuing Member Notice"

(Election deadline: 5pm Sydney time **29 January 2013**)

Mr Garry Gill
Company Secretary
Planet Metals Limited
c/- Boardroom Pty Limited
Level 7
207 Kent Street
SYDNEY NSW 2000

Dear Sir,

I refer to your offer to buy-back my minimum holdings in Planet Metals Limited (**Company**) dated 14 December 2012 (**Offer**).

Please be advised that I do not wish you to buy-back my shares in the Company.

Sign Below - This section must be signed for your instruction to be executed.

Individual or Security holder 1

*Sole Director & Sole Company
Secretary (if appointed)*

Security holder 2

Director

Security holder 3

Director / Company Secretary

Contact name

Contact daytime phone

Date

General Signing Instructions

In the case of joint share holders each share holder must sign. Where the share holder is an incorporated body it must sign in accordance with its Constitution. If this form has been signed by an Attorney and the relative Power of Attorney has not been produced to the company, such Power of Attorney must be forwarded with this form for noting and return.

Return to: Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001